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STATE OF INDIANA

**FILED**

JAN 09 2009

INDIANA UTILITY REGULATORY COMMISSION

INDIANA UTILITY  
REGULATORY COMMISSION

PETITION OF NORTHERN INDIANA PUBLIC SERVICE )  
COMPANY ("NIPSCO") FOR (1) AUTHORITY TO MODIFY )  
ITS RATES AND CHARGES FOR ELECTRIC UTILITY )  
SERVICE; (2) APPROVAL OF NEW SCHEDULES OF RATES )  
AND CHARGES APPLICABLE THERETO; (3) APPROVAL )  
OF REVISED DEPRECIATION ACCRUAL RATES; (4) )  
INCLUSION IN ITS BASIC RATES AND CHARGES OF THE )  
COSTS ASSOCIATED WITH CERTAIN PREVIOUSLY )  
APPROVED QUALIFIED POLLUTION CONTROL )  
PROPERTY PROJECTS; (5) AUTHORITY TO IMPLEMENT )  
A RATE ADJUSTMENT MECHANISM PURSUANT TO IND. )  
CODE § 8-1-2-42(a) TO (A) TIMELY RECOVER CHARGES )  
AND CREDITS FROM REGIONAL TRANSMISSION )  
ORGANIZATIONS AND NIPSCO'S TRANSMISSION ) CAUSE NO. 43526  
REVENUE REQUIREMENTS; (B) TIMELY RECOVER )  
NIPSCO'S PURCHASED POWER COSTS; AND (C) )  
ALLOCATE NIPSCO'S OFF SYSTEM SALES REVENUES; (6) )  
APPROVAL OF VARIOUS CHANGES TO NIPSCO'S )  
ELECTRIC SERVICE TARIFF INCLUDING WITH RESPECT )  
TO THE GENERAL RULES AND REGULATIONS, THE )  
ENVIRONMENTAL COST RECOVERY MECHANISM AND )  
THE ENVIRONMENTAL EXPENSE MECHANISM; (7) )  
APPROVAL OF THE CLASSIFICATION OF NIPSCO'S )  
FACILITIES AS TRANSMISSION OR DISTRIBUTION IN )  
ACCORDANCE WITH THE FEDERAL ENERGY )  
REGULATORY COMMISSION'S SEVEN-FACTOR TEST; )  
AND (8) APPROVAL OF AN ALTERNATIVE REGULATORY )  
PLAN PURSUANT TO IND. CODE § 8-1-2.5-1 *ET SEQ.* TO )  
THE EXTENT SUCH RELIEF IS NECESSARY TO EFFECT )  
THE RATEMAKING MECHANISMS PROPOSED BY )  
NIPSCO.

NORTHERN INDIANA PUBLIC SERVICE COMPANY'S  
FOURTH SET OF CORRECTIONS  
TO CASE-IN-CHIEF

Pursuant to Paragraph 15 of the Prehearing Conference Order in this Cause, Petitioner Northern Indiana Public Service Company ("NIPSCO") submits a corrected Petitioner's Exhibit TAD-2 (2<sup>nd</sup> Revised—1/9/2009) to the prepared direct testimony and exhibits of Witness Timothy A. Dehring. A clean copy of the revised exhibit is attached hereto and will be included

in Witness Dehring's testimony and exhibits that Petitioner will offer in evidence at the hearing in this proceeding. When NIPSCO filed the first revised version of this exhibit on December 31, 2008 with its Second Set of Corrections, NIPSCO inadvertently failed to attach the final version of the revised exhibit.

Respectfully submitted,



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SERVICE COMPANY

## CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of Northern Indiana Public Service Company's Fourth Set of Corrections has been served upon the following by email transmission addressed to:

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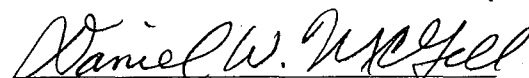
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this 9th day of January, 2009.

  
Daniel W. McGill

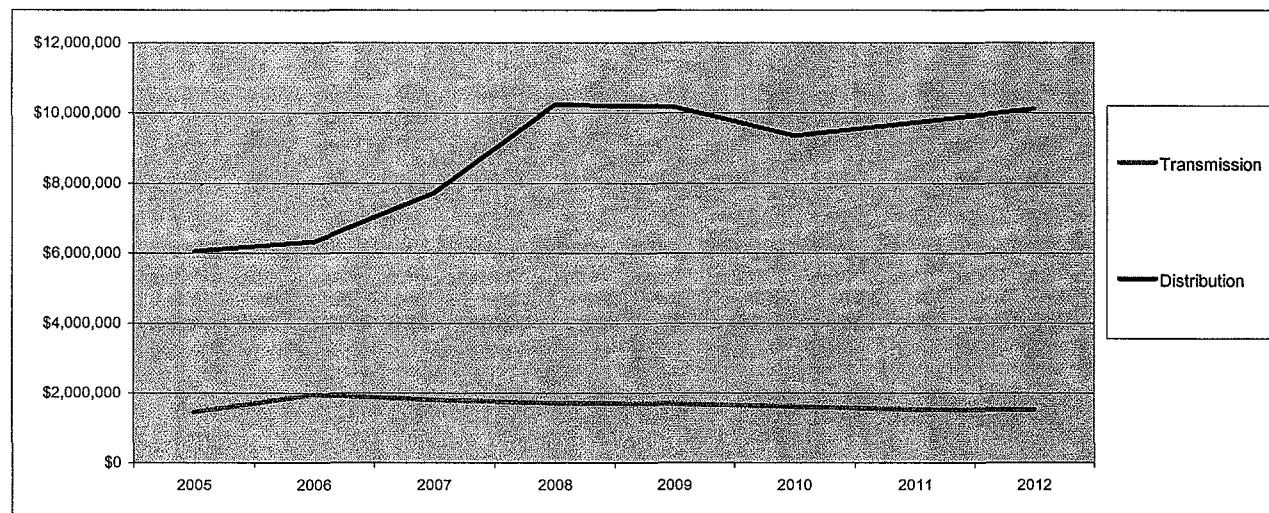
**EXHIBIT TAD - 2**  
**Vegetation Management Work Paper**

Description	2005 Actual <sup>1</sup>	2006 Actual <sup>1</sup>	2007 Actual <sup>1</sup>	2008 Budget <sup>1</sup>	2009 Forecast	2010 Forecast	2011 Forecast	2012 Forecast
Transmission - Rights of Way	\$1,441,504	\$1,930,114	\$1,785,193	\$1,693,800	\$1,674,875	\$1,591,131	\$1,511,574	\$1,511,574
Distribution - Overhead	\$6,046,090	\$6,323,497	\$7,718,972	\$10,233,855	\$10,164,000	\$9,345,960	\$9,719,798	\$10,108,590
Other Vegetation Management Programs	\$467,104	\$461,818	\$500,247	\$458,798	\$481,738	\$501,007	\$521,048	\$541,890
<b>Total</b>	<b>\$7,954,698</b>	<b>\$8,715,430</b>	<b>\$10,004,411</b>	<b>\$12,386,453</b>	<b>\$12,320,613</b>	<b>\$11,438,098</b>	<b>\$11,752,421</b>	<b>\$12,162,054</b>

<sup>1</sup> Data Source: CBS reporting

Description	2005 Actual <sup>2</sup>	2006 Actual <sup>2</sup>	2007 Actual <sup>2</sup>	2008 Projected <sup>2</sup>	2009 Forecast	2010 Forecast	2011 Forecast	2012 Forecast
Distribution Circuit Fixed Bid Expenditures	\$3,516,557	\$3,461,600	\$5,408,500	\$8,798,106	\$8,164,000	\$7,265,960	\$7,556,598	\$7,858,862
Number of circuits cleared	59	80	125	159	157	157	157	157
Cost per Circuit	\$59,603	\$43,270	\$43,268	\$55,334	\$52,000	\$46,280	\$48,131	\$50,056

<sup>2</sup> Data Source: Forestry Operations records



**Transmission** - Increases in 2005 and 2006 due to NERC adopted reliability standard FAC-003-1. 2007 and forward show slightly declining costs attributable to cost efficiencies of IVM offset by higher clearing costs.

**Distribution** - Sharp increases through 2008 to achieve a 4 year system cycle time. Years 2009 and 2010 have decreases resulting from lower average cost per circuit achieved through reaching the 4 year cycle. Years 2010 and beyond have cost increases reflective of anticipated contractor cost inflation.